

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**

**AUDIT OF FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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## INDEPENDENT AUDITOR'S REPORT

January 14, 2015

To the Board of Trustees of  
Future is Now Schools: New Orleans, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Future is Now Schools: New Orleans, Inc. (a nonprofit organization), which comprise the statement of net assets in liquidation as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation of Future is Now Schools: New Orleans, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles applied on the bases described in Note 1 to the financial statements.

### ***Emphasis of Matter***

As discussed in Note 11 to the financial statements, the Board of Directors of Future of Now Schools: New Orleans, Inc. approved a plan of liquidation and ceased operations on June 30, 2014, and Future is Now Schools: New Orleans, Inc. commenced liquidation shortly thereafter. As a result, Future is Now Schools: New Orleans, Inc. has changed its basis of accounting for periods from June 30, 2014 forward from the going-concern basis to a liquidation basis.

### ***Other Matters***

#### ***Other Information***

The schedules required by Louisiana State Law included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2015, on our consideration of Future is Now Schools: New Orleans, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Future is Now Schools: New Orleans, Inc.'s internal control over financial reporting and compliance.

*Hienz & Macaluso, LLC*  
Metairie, LA

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**STATEMENT OF NET ASSETS IN LIQUIDATION**  
**JUNE 30, 2014**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 96,965
Grants receivable	<u>5,835</u>
<b>Total current assets</b>	<u>102,800</u>
 <b>Total assets</b>	 <b>\$ <u>102,800</u></b>

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable and accrued expenses	\$ <u>102,128</u>
<b>Total current liabilities</b>	<u>102,128</u>
 <b>Total liabilities</b>	 <u>102,128</u>

**Net assets**

Unrestricted net assets	672
Temporarily restricted net assets	<u>-</u>
 <b>Total net assets</b>	 <u>672</u>
 <b>Total liabilities and net assets</b>	 <b>\$ <u>102,800</u></b>

The accompanying notes are an integral part of these financial statements.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Revenues</b>				
State public school funding	\$ 2,916,289	\$ -	\$ -	\$ 2,916,289
Federal grants	288,858	-	-	288,858
Other income	212,535	-	-	212,535
				-
<b>Total Revenue</b>	<b>3,417,682</b>	<b>-</b>	<b>-</b>	<b>3,417,682</b>
<b>Expenses</b>				
Instructional Services				
Regular education programs	1,474,392	-	-	1,474,392
Special education programs	299,198	-	-	299,198
Other instructional programs	103,838	-	-	103,838
Pupil support services	182,966	-	-	182,966
Instructional staff services	77,583	-	-	77,583
School administration	703,716	-	-	703,716
Operation and maintenance of plant service	555,818	-	-	555,818
Total Instructional Services	3,397,511	-	-	3,397,511
Support services				
Business services	108,933	-	-	108,933
General administration	11,560	-	-	11,560
Student transportation	193,928	-	-	193,928
Food services	5,513	-	-	5,513
Total Support Services	319,934	-	-	319,934
<b>Total expenses</b>	<b>3,717,445</b>	<b>-</b>	<b>-</b>	<b>3,717,445</b>
<b>Change in net assets</b>	<b>(299,763)</b>	<b>-</b>	<b>-</b>	<b>(299,763)</b>
				-
<b>Net assets, beginning of period</b>	<b>300,435</b>	<b>-</b>	<b>-</b>	<b>300,435</b>
<b>Net assets, end of period</b>	<b>\$ 672</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 672</b>

The accompanying notes are an integral part of these financial statements.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<b>Cash Flows from Operating activities</b>	
Change in net assets	\$ (299,763)
Depreciation	13,210
Gain on disposal of equipment	(2,477)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Decrease in grants receivable	152,178
Decrease in accounts payable	<u>(157,702)</u>
<b>Total adjustments</b>	<u>5,209</u>
<b>Net cash used operating activities</b>	<u>(294,554)</u>
<b>Cash Flows from Financing activities</b>	
Principal payments on capital lease	<u>(12,019)</u>
<b>Net cash used in financing activities</b>	<u>(12,019)</u>
<b>Net decrease in cash and cash equivalents</b>	(306,573)
<b>Cash and cash equivalents, beginning of period</b>	<u>403,538</u>
<b>Cash and cash equivalents, end of period</b>	<u><u>\$ 96,965</u></u>

The accompanying notes are an integral part of these financial statements.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – Summary of Significant Accounting Policies**

Future is Now Schools: New Orleans, Inc. (the School) was created as a non-profit organization under the laws of the State of Louisiana. The School applied to the Louisiana Board of Elementary and Secondary Education (BESE) to operate a Type 5 charter school and was awarded the charter to operate John McDonogh High School. The school ceased operations at the conclusion of the 2013-2014 school year.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School have been prepared on the liquidation basis of accounting as of June 30, 2014. Previously, the financial statements were prepared on the accrual basis of accounting.

**Basis of Presentation**

The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

*Unrestricted Net Assets* – limited only by the broad limits resulting from the nature of the organization, the environment in which it operates and the purposes specified in its articles of incorporation or bylaws and limits resulting from contractual agreements with suppliers, creditors and others entered into by the organization in the course of its business.

*Temporarily Restricted Net Assets* – assets whose restrictions lapse with the passage of time or purpose.

*Permanently Restricted Net Assets* – assets whose restrictions do not lapse with the passage of time.

Presently, the School has no permanently restricted net assets.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Revenues**

The School's primary sources of funding are through federal grants, as well as private donations. Federal grants are recorded on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.



**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – Summary of Significant Accounting Policies - continued**

**Income Taxes**

The School is operating under Section 501(c)(3) of the Internal Revenue Code, and is generally exempt from federal, state and local income taxes. Accordingly, no provision for income taxes is included in the financial statements.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the School has considered all cash and other highly liquid investments with original maturities of three months or less to be cash equivalents. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received specifying the use of the contributions.

**Receivables and Allowance for Doubtful Accounts**

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts if applicable. The School provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of debtors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the School's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**Property and Equipment**

Property and equipment exceeding \$1,000 are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School.

**NOTE 2 – Cash and Cash Equivalents**

As of June 30, 2014, cash consists of demand deposits in a local bank of \$96,965.

**NOTE 3 – Grants Receivable**

As of June 30, 2014, grants receivable totaled \$5,835, which was a receivable for federal and state grants passed through the Louisiana Department of Education. The balance is considered to be fully collectible.

**NOTE 4 – Concentrations**

The School received approximately 94% of its revenues for the year ended June 30, 2014 from the Louisiana Department of Education through the Minimum Foundation Program and federal grants.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 4 – Concentrations - continued**

The School maintains cash balances at a local bank. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, these accounts may exceed the federally insured limits.

**NOTE 5 – Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time, although the School expects any such amounts to be immaterial.

**NOTE 6 – Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 7 – Board Member's Compensation**

Board members are not compensated for their service; therefore a schedule of board members and compensation is not presented.

**NOTE 8 – Uncertain Income Taxes**

The School adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASC ASC. The implementation of this topic had no impact on the statement of financial position or statement of activities.

The School has filed an extension for their 2013 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2011 - 2012. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

**NOTE 9 – In-Kind Donations**

The School also uses the services of volunteers in conjunction with their activities. The value of these services, which could not be reasonably estimated, is not recognized in the accompanying financial statements due to the unspecialized nature of the services.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 10 – Property and Equipment**

Depreciation expense for the year ended June 30, 2014 was \$13,210. Depreciation is calculated using the straight line method with useful lives of 3 years.

All assets purchased with Louisiana Department of Education funds are owned by the School while used in the purpose for which they were acquired. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, any assets purchased with those funds will revert back to the State of Louisiana.

**NOTE 11 – Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 14, 2015, and determined that no events occurred that require disclosure except as discussed below. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

The Recovery School District announced in January, 2014 that John McDonogh High School would close at the conclusion of the 2013-2014 school year so that the school could undergo extensive renovations. The School's Board of Directors resolved to turn in its charter effective June 30, 2014. Since activities were not sufficient to continue operating the Corporation, the Board found it necessary to dissolve the Corporation and proceed with winding up the affairs of the Corporation in accordance with the Nonprofit Corporation Law of Louisiana.

Subsequent to June 30, 2014, a petition for voluntary liquidation and dissolution under court supervision and appointment of a liquidator was filed in Orleans Parish Civil District Court on November 6, 2014.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

January 14, 2015

To the Board of Trustees of  
Future is Now Schools: New Orleans, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Future is Now Schools: New Orleans, Inc. (a nonprofit organization), which comprise the statement of net assets in liquidation as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Future is Now Schools: New Orleans, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Future is Now Schools: New Orleans, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Future is Now School: New Orleans, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Hienz & Macaluso, LLC*  
Metairie, LA

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

*Section I – Internal Control and Compliance Material to the Financial Statements:*

Not applicable.

*Section II – Internal Control and Compliance Material to Federal Awards:*

Not Applicable.

*Section III – Management Letter:*

Not Applicable.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

*Section I – Internal Control and Compliance Material to the Financial Statements:*

Not applicable.

*Section II – Internal Control and Compliance Material to Federal Awards:*

Not Applicable.

*Section III – Management Letter:*

Not Applicable.





## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

January 14, 2015

To the Board of Trustees of  
Future is Now Schools: New Orleans, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Future is Now Schools: New Orleans, Inc. (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information and are as follows:

### **PROCEDURES AND FINDINGS**

#### **General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)**

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following reported on the schedule:
  - ❖ Total General Fund Instructional Expenditures;
  - ❖ Total General Fund Equipment Expenditures;
  - ❖ Total Local Taxation Revenues;
  - ❖ Total Local Earnings on Investment in Real Property;
  - ❖ Total State Revenue in Lieu of Taxes;
  - ❖ Nonpublic Textbook Revenue; and
  - ❖ Nonpublic Transportation Revenue.



Findings: None

### **Education Levels of Public School Staff (Schedule 2)**

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and Future is Now Schools: New Orleans, Inc.’s supporting payroll records as of October 1st.

#### **Findings:**

We were unable to perform this procedure as management was unable to locate the appropriate records due to the closing of the school.

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

#### **Findings:**

We were unable to perform this procedure as management was unable to locate the appropriate records due to the closing of the school.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1<sup>st</sup> as reported on the schedule. We traced each of the teachers to their respective personnel file and determined if their education level was properly classified on the schedule.

#### **Findings:**

We were unable to perform this procedure as management was unable to locate the appropriate records due to the closing of the school.

### **Number and Type of Public Schools (Schedule 3)**

5. We obtained a list of schools by the type as reported on the schedule. We compared the list of schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: None

### **Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers (Schedule 4)**

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1<sup>st</sup> and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

#### **Findings:**

We were unable to perform this procedure as management was unable to locate the appropriate records due to the closing of the school.

### **Public School Staff Data (Schedule 5)**

7. We obtained a listing of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced all teachers to their personnel file and determined if their salary, extra compensation, and full-time equivalents were properly included on the schedule.

#### **Findings:**

We were unable to perform this procedure as management was unable to locate the appropriate records due to the closing of the school.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

#### **Findings:**

We were unable to perform this procedure as management was unable to locate the appropriate records due to the closing of the school.

### **Class Size Characteristics (Schedule 6)**

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a sample of ten classes to computerized summary reports of the October 1<sup>st</sup> roll books for those classes and determined if the class was properly classified in the schedule.

#### **Findings:**

We were unable to perform this procedure as management was unable to locate the appropriate records due to the closing of the school.

### **Louisiana Educational Assessment Program (LEAP) for The 21<sup>st</sup> Century (Schedule 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School.

This schedule was not applicable for the year ended June 30, 2014.

### **The Graduation Exit Exam for the 21<sup>st</sup> Century (Schedule 8)**

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School.

This schedule was not applicable for the year ended June 30, 2014.

### **The iLEAP Tests (Schedule 9)**

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School.

This schedule was not applicable for the year ended June 30, 2014.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Future is Now Schools: New Orleans Inc., the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Hienz & Macaluso, LLC*  
Metairie, LA

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**New Orleans, Louisiana**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2014**

<b><u>General Fund Instructional and Equipment Expenditures</u></b>	<b>Column A</b>	<b>Column B</b>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	1,066,719	
Other Instructional Staff Activities	115,324	
Instructional Staff Employee Benefits	228,579	
Purchased Professional and Technical Services	113,112	
Instructional Materials and Supplies	55,306	
Instructional Equipment	41,505	
Total Teacher and Student Interaction Activities		<u>\$ 1,620,545</u>
Other Instructional Activities		<u>\$ 103,837</u>
Pupil Support Services		
Less: Equipment for Pupil Support Services	118,734	
Net Pupil Support Services		<u>\$ 118,734</u>
Instructional Staff Services		
Less: Equipment for Instructional Staff Services	25,594	
Net Instructional Staff Services		<u>\$ 25,594</u>
School Administration		
Less: Equipment for School Administration	655,413	
Net School Administration		<u>\$ 655,413</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 2,524,123</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$ -</u>

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**New Orleans, Louisiana**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2014**

**Certain Local Revenue Sources**

Local Taxation Revenue:

Advalorem Taxes

Constitutional Ad Valorem Taxes	\$	-
Renewable Ad Valorem Tax	\$	-
Debt Service Ad Valorem Tax	\$	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	\$	-
Result of Court Ordered Settlement (Ad Valorem)	\$	-
Penalties/Interest on Ad Valorem Taxes	\$	-
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)	\$	-

Sales Taxes

Sales and Use Taxes - Gross	\$	-
Sales/Use Taxes - Court Settlement	\$	-
Penalties/Interest on Sales/Use Taxes	\$	-
Sales/Use Taxes Collected Due to TIF	\$	-
Total Local Taxation Revenue	\$	-

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$	-
Earnings from Other Real Property	\$	-
Total Local Earnings on Investment in Real Property	\$	-

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes	\$	-
Revenue Sharing - Excess Portion	\$	-
Other Revenue in Lieu of Taxes	\$	-
Total State Revenue in Lieu of Taxes	\$	-

Nonpublic Textbook Revenue	\$	-
Nonpublic Transportation Revenue	\$	-

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**New Orleans, LA**

**Schedule 2**

**Education Levels of Public School Staff**

As of October 1, 2013

	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
Category	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree								
Master's Degree								
Master's Degree + 30								
Specialist in Education								
Ph. D. or Ed. D.								
Total								

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**New Orleans, LA**

**Schedule 3**

Number and Type of Schools  
For the Year Ended June 30, 2014

Type	Number
Elementary	
Middle Jr. High	
Secondary	1
Combination	
Total	1

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**New Orleans, LA**

**Schedule 4**

Experience of Public Principals, Assistant Principals and Full time Classroom Teachers  
As of October 1, 2013

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals								
Principals								
Classroom Teachers								
Total								

See Independent Accountant's Report on Applying Agreed-Upon Procedures.



Public School Staff Data: Average Salaries  
For the Year Ended June 30, 2014

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation		
Average Classroom Teachers Salary Excluding Extra Compensation		
Number of Teacher Full-Time Equivalents (FTES) used in Computation of Average Salaries		

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**New Orleans, LA**

**Schedule 6**

**Class Size Characteristics**

As of October 1, 2013

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Class								
Middle High								
Middle High Activity Class								
High								
High Activity Class								
Combination								
Combination Activity Class								

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

**FUTURE IS NOW SCHOOLS: NEW ORLEANS, INC.**  
**New Orleans, Louisiana**

Schedules 7, 8 and 9 were not applicable for the year ended June 30, 2014.

See Independent Accountant's Report on Applying Agreed-Upon Procedures.